June 5, 2009

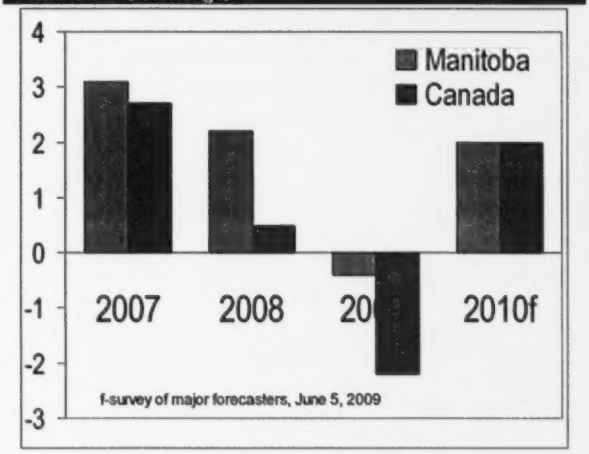
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- The Manitoba Bureau of Statistics projects that real GDP grew 2.2% in 2008 above the Canadian growth of 0.4% estimated by Statistics Canada
- In 2009, the Manitoba economy is forecast to decline 0.4%, better than the decline of 2.2% projected for Canada according to the survey of major forecasters.
- In 2010, the Manitoba economy is expected to grow by 2.0%, equal to growth in Canada.

Real GDP (% Change)



Consumer Price Index

- In the first four months 2009, the Manitoba CPI increased 1.3% above the 1.0% national increase. Food (8.0%) has the largest increase while energy has declined 11.2%.
- In 2008, the Manitoba CPI increased 2.3%, the same as the national increase. Energy, shelter, food, and transportation were the major contributors to the increase.
- Through the first ten months of 2008 the energy component had risen 13.5%; however, in the last two months there were declines which resulted in lowering the 2008 energy component growth to 8.8%.

- Manitoba's GDP growth was 2.2% in 2008 substantially better than the 0.5% growth for Canada.
- In 2009, Manitoba's real GDP growth is forecast to decline 0.4% better than the 2.2% decline in Canada
- Manitoba real GDP growth exceeded Canadian growth from 2006 to 2008.
- Manitoba merchandise exports were up 5.2% in 2008. Exports to the U.S. were up 6.3%.
- In 2008, there were 5,537 Manitoba housing starts, the second highest level since 1987.
- Average weekly earnings increased 2.7% in 2008.

Labour Market

Employment

- In the first five months of 2009 Manitoba's employment increased by 1,400 compared to a national decrease of 222,100. Manitoba's full-time employment was up 0.7% while part-time decreased 1.7%.
- In 2008, employment increased 10,200 relative to 2007. Full-time employment was up 2.1% while part-time employment increased 0.1%.

Employment (% Change)

	2008	2009ytd
Manitoba		
Total Employment	1.7	0.2
Full-Time	2.1	0.7
Part-Time	0.1	-1.7
Canada		
Total Employment	1.5	-1.3

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the first five months of 2009, Manitoba's unemployment rate was 4.8%, second lowest behind Saskatchewan. The youth unemployment rate was 8.7%, lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2 to 2.5 percentage points below Canada. In the first five months 2009, this spread has increased to above 3 points.
- In 2008, Manitoba's unemployment rate was 4.2%, third lowest among provinces and the lowest Manitoba rate in over 30 years. Manitoba's youth unemployment rate was 9.0%, fourth lowest among provinces.
- In 2008, the number of unemployed in Manitoba declined by 4.0%. This was the largest percentage decline among the provinces
- From 1998 to 2008, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate four times.

Average Weekly Earnings

- In the first three months of 2009, average weekly earnings were up 3.6%, above Canada's increase of 2.3% and fifth highest among provinces.
- In 2008, average weekly earnings were up 2.7%, below the 2.8% increase nationally and fifth highest among provinces.

Population

- As of January 1, 2009, Manitoba's population stood at 1,213,815, a one-year increase of 13,337 persons. This 1.1% increase was fifth best among provinces.

Net Migration

- In the year ending January 1, 2009, 8,544 more people moved to Manitoba than left.
- During the same period, net international in-migration totaled 10,024, more than the net inter-provincial out-migration of 1,660.

Economic Activity

Manufacturing Sales

- In the first three months of 2009, Manitoba manufacturing sales decreased 4.9% to $3.7 billion. Canadian sales declined 17.0%.
- In the first three months of 2009, three Manitoba industries increased led by machinery (46.4%), fabricated metals (19.1%) and chemicals (17.5%).
- In the first three months of 2009, ten industries have declines in the value of sales with primary metals, wood and printing leading the losses.
- In 2008, Manitoba's manufacturing sales increased 1.8% to $16.4 billion, Canadian sales declined 0.4%. This was the eighth consecutive year that Manitoba's sales outperformed Canada.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2008	2009ytd
Machinery	29.6	46.4
Fabricated Metals	14.8	19.1
Chemicals	35.3	17.5

Farm Cash Receipts

- In the first three months of 2009, Manitoba cash receipts rose 4.0% led by increased crop (12.4%) and livestock (11.6%) receipts.
- All major categories of crop receipts rose with oilseeds (34.9%) and wheat (26.6%) leading the way. Hog receipts increased 26.6% to lead the livestock sector.
- In 2008, Manitoba cash receipts rose 8.7% with a 23.8% increase in crop receipts offsetting declines in livestock (-3.2) and direct payments (-21.9%).
- All major crops increased led by oilseeds (34.9%) and wheat (26.8%). A 13.5% decline in hog receipts caused the decline in livestock receipts.

Note: Changes are calculated relative to the corresponding period in the previous year.

Farm Cash Receipts (% Change)	2008	2009ytd
Oilseeds	34.9	23.6
Wheat	26.8	(18.0)
Hogs	(13.5)	26.6
Cattle	3.3	0.5

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2008 only 17.4%. The largest source of receipts was oilseeds (24.3%) followed by wheat, hogs (14.7%) and cattle (11.0%).

Retail Sales

- In the first three months of 2009, Manitoba retail sales declined 4.4% better than the 6.1% decline in Canada.
- The decline in 2009 retail sales are led by declines in motor vehicle (-19.0%), gasoline (-14.0%) and furniture and electronics (-7.5%) sales. Pharmacies (8.0%), other stores (5.6%) and food and beverage (4.7%) have the largest increases.
- In 2008, Manitoba retail sales increased 7.2% above the 3.4% increase in Canada and third highest among provinces.
- In 2008, gasoline sales (23.1%), pharmacies (15.2%); furniture and appliance sales (11.5%); and hardware, garden and building supply stores (9.0%) have led the growth.

Investment

- Statistics Canada's Private and Public Investment survey from February 2009 shows that Manitoba's 2008 capital investment increased 16.7%, second highest among provinces. Canada's increase was 5.2%.
- The Survey shows that Manitoba's private investment increased 15.2% while public investment increased 20.1%.
- A number of major investment projects were undertaken in 2008, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam and a new airport facility.
- In 2009, capital investment is projected to decrease 2.6%. Only three provinces will have increases and investment in Canada will decline 5.4%.
- Private investment is projected to decrease 6.8% with only two provinces having increases and investment in Canada projected to decline 9.3%
- Manitoba public investment is projected to increase 7.0% below Canada (9.5%).
- Private capital investment accounts for approximately 70% of capital investment in Manitoba.

Housing Starts

- In the first quarter of 2009, Manitoba housing starts decreased 38.7% better than the 45.5% national decline.
- In 2009, Manitoba single starts are down 23.2% while multiples have declined 59.9%.
- In 2008, housing starts in Manitoba decreased 3.5% to 5,537 units. Single-detached starts declined 4.3% while multiple starts were down 1.8%. Housing starts in Canada declined 7.6% with single-detached starts decreasing 21.6% while multiple starts were up 7.7%.
- The 2008 total starts and multiple starts in Manitoba are the second-highest level since 1987, while single housing starts are the third-highest level since 1987.
- In the first four months of 2009 urban Manitoba housing starts declined 38.5% while Canadian starts were down 49.3%

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2005	6.6	(3.4)
2006	6.3	0.8
2007	14.1	0.4
2008	(3.5)	(7.6)
2009ytd	(38.7)	(45.5)

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In the first four months of 2009, the value of Manitoba building permits decreased 10.9%. Permits in Canada declined 30.5%. Non-residential permits rose 22.9% while residential permits decreased 26.8%.
- The value of permits in Winnipeg declined 18.5% while outside of Winnipeg they increased 2.5%.
- In 2008, the value of building permits in Manitoba increased 10.6%. Non-residential permits are up 3.9% while residential permits increased 14.1%. Canada permits are down 5.3%.
- In 2008 the growth in the value of building permits was led by increases in industrial permits (48.2%), commercial (29.4%) and residential (14.1%) with residential permits exceeded $1 billion for the first time.

Bankruptcies

- In the first three months of 2009, business bankruptcies decreased 68.6% in Manitoba, and declined 13.8% in Canada.
- In the first three months of 2009, consumer bankruptcies increased 25.2% in Manitoba, and were up 34.6% in Canada.
- In 2008, business bankruptcies increased 1.0% in Manitoba, and declined 2.0% in Canada. Consumer bankruptcies decreased 0.8% in Manitoba and increased 13.5% in Canada.

Foreign Merchandise Exports

- In first three months of 2009, Manitoba exports decreased 7.5%, while Canadian exports were down 20.5%.
- In first three months of 2009, Manitoba's U.S. exports decreased 3.7% while non-U.S. exports were down 15.7%.
- In 2008, Manitoba exports increased 5.2%, while Canadian exports were up 8.3%.
- In 2008, Manitoba's U.S. exports increased 6.3% while non-U.S. exports were up 2.8%.

Foreign Merchandise Exports
(% Change)

	2008	2009ytd
All Countries	5.2	(7.5)
U.S.	6.3	(3.7)
Non-U.S.	2.8	(15.7)

Electricity Sales

- In the first four months 2009, Manitoba electricity sales declined 2.9% led by a 31.1% decrease in export sales. Domestic sales rose 8.5%.
- In 2008, Manitoba electricity sales increased 4.2% with a 4.7% increase in domestic sales and a 3.4% increase in export sales.
- In 2008 Manitoba electricity sales are the second highest on record due in large part to a record level of domestic sales. Export sales were third highest on record due to a 13.4% increase in Canadian export sales.

Manitoba Finance

Economic and Fiscal Analysis Branch, Federal-Provincial Relations and Research Division
(204) 945-3757

Director: Jim Hrichishen
Jim.Hrichishen@gov.mb.ca

Manager: Narendra Budhia
Narendra.Budhia@gov.mb.ca

Analyst: Jim Gibbs
Jim.Gibbs@gov.mb.ca

Analyst: Stephen Verhaeghe
Stephen.Verhaeghe@gov.mb.ca

Please click on **economic statistics** to view the data underlying this report.

Note: The 2009 Budget Paper The Economy was released on March 25 and contains an extensive review of Manitoba's economic performance for 2008 and an outlook for 2009. This document is available at: www.gov.mb.ca/finance/budget09/papers/economy.pdf

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — June 5, 2009

	2003	2004	2005	2006	2007	2008	2009 (ytd)		
			($ Millions)						
Gross Domestic Product									
Nominal	37,314	39,499	41,402	44,728	48,225	51,275	50,660	f	(annual)
Real (2002=100)	36,804	37,566	38,593	40,080	41,327	42,226	42,648	f	(annual)
Investment									
Total	6,163	6,699	6,836	7,837	8,903	10,386	10,116	i	(annual)
Private	4,721	5,082	5,091	5,811	6,267	7,221	6,729	i	(annual)
Public	1,442	1,617	1,745	2,027	2,635	3,165	3,387	i	(annual)
Non-residential	4,906	5,181	5,201	6,042	6,803	7,952	7,605	i	(annual)
Housing	1,257	1,518	1,635	1,796	2,099	2,434	2,512	i	(annual)
Sectors									
Farm Cash Receipts	3,606	3,876	3,804	3,687	4,314	4,704	1,403		(Mar)
Crops	1,700	1,805	1,298	1,279	2,176	2,710	892		(Mar)
Livestock	1,598	1,642	1,808	1,781	1,726	1,672	441		(Mar)
Direct Payments	308	430	699	626	413	322	70		(Mar)
Manufacturing	12,682	13,262	13,702	14,854	16,111	16,409	3,667		(Mar)
Mineral Production	1,050	1,406	1,576	2,619	3,070	2,520			(Dec)
Electric Power Sales	1,282	1,435	1,797	1,697	1,667	1,737	582		(Apr)
Export Sales	380	488	818	702	613	634	119		(Apr)
Housing Starts All Areas (Units)	4,206	4,440	4,731	5,028	5,738	5,537	536		(Mar)
Retail Trade	10,953	11,692	12,381	12,870	14,008	15,017	3,116		(Mar)
Foreign Merchandise Exports									
Total	9,194	9,297	9,301	10,195	12,192	12,823	2,853		(Mar)
US	6,986	6,859	6,973	7,671	8,348	8,871	2,022		(Mar)
Labour Market									
Labour Force (000s)	600.3	608.9	609.4	613.5	623.9	633.0	636.7		(May)
Employment (000s)	570.3	576.6	580.3	587.0	596.5	606.7	606.2		(May)
Participation Rate (%)	68.7	69.1	68.6	68.8	69.4	69.6	69.3		(May)
Unemployment Rate (%)	5.0	5.3	4.8	4.3	4.4	4.2	4.8		(May)
Youth Unemployment Rate (%)	9.5	10.9	9.7	8.8	9.0	9.0	8.7		(May)
Consumer Price Index									
(2002=100)	101.8	103.8	106.6	108.7	110.9	113.4	113.1		(Apr)
Population									
July 1st estimates (in thousands)	1,163.8	1,173.6	1,178.3	1,184.0	1,193.5	1,208.0	1,213.8		(Jan)

(ytd) - year to date

(f) - Data for 2003 to 2008 are the Manitoba Bureau of Statistics. Data for 2009 are based on Conference Board of Canada

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

Table 2: Economic Indicators — June 5, 2009

	2003	2004	2005	2006	2007	2008	2009 (ytd)	
			(% Change)					
Gross Domestic Product								
Nominal	2.2	5.9	4.8	8.0	7.8	6.3	-1.2 f	(annual)
Real (2002=100)	0.8	2.1	2.7	3.9	3.1	2.2	1.0 f	(annual)
Investment								
Total	2.5	8.7	2.0	14.6	13.6	16.7	-2.6 i	(annual)
Private	1.5	7.7	0.2	14.1	7.9	15.2	-6.8 i	(annual)
Public	5.8	12.1	7.9	16.1	30.0	20.1	7.0 i	(annual)
Non-residential	0.6	5.6	0.4	16.2	12.6	16.9	-4.4 i	(annual)
Housing	10.5	20.8	7.8	9.8	16.9	16.0	3.2 i	(annual)
Sectors								
Farm Cash Receipts	(6.3)	7.5	(1.9)	(3.1)	17.4	8.7	4.0	(Mar)
Crops	(11.1)	6.1	(28.1)	(1.4)	71.1	23.8	12.4	(Mar)
Livestock	(6.9)	2.7	10.1	(1.5)	(3.1)	(3.2)	(3.2)	(Mar)
Direct Payments	40.7	39.6	62.4	(10.4)	(34.1)	(21.9)	56.3	(Mar)
Manufacturing	7.3	4.6	3.3	8.4	8.5	1.8	(4.9)	(Mar)
Mineral Production	4.5	34.0	12.1	66.1	17.3	(17.9)		(Dec)
Electric Power Sales	(5.8)	11.9	25.2	(5.5)	(1.8)	4.2	(2.9)	(Apr)
Export Sales	(19.4)	28.3	67.5	(14.2)	(14.1)	3.4	(31.1)	(Apr)
Housing Starts All Areas	16.3	5.6	6.6	6.3	14.1	(3.5)	(38.7)	(Mar)
Retail Trade	3.6	6.7	5.9	3.9	8.8	7.2	(4.4)	(Mar)
Foreign Merchandise Exports								
Total	(2.2)	1.1	0.0	9.6	19.6	5.2	(7.5)	(Mar)
USA	1.2	(1.8)	1.7	10.0	8.8	6.3	(3.7)	(Mar)
Labour Market								
Labour Force	0.4	1.4	0.1	0.7	1.7	1.5	1.0	(May)
Employment	0.5	1.1	0.6	1.2	1.6	1.7	0.2	(May)
Consumer Price Index								
(2002=100)	1.8	2.0	2.7	2.0	2.0	2.3	1.3	(Apr)
Population								
July 1st estimates (in thousands)	0.6	0.8	0.4	0.5	0.8	1.2	1.1	(Jan)

(ytd) - year to date

(f) - Data for 2003 to 2008 are the Manitoba Bureau of Statistics. Data for 2009 are based on Conference Board of Canada

(i) - Based on Statistics Canada's Survey of Public & Private Investment intentions.